

**CENTRAL INTELLIGENCE AGENCY**

REPORT NO.

# INFORMATION REPORT

CD NO.

25X1A

**CONFIDENTIAL**

COUNTRY Germany (Russian Zone)

DATE DISTR. 21 June 1951

SUBJECT Nitrogen Plant in Piesteritz, (Stickstoffwerk  
Piesteritz, SAG Mineral-Dunger\*)

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(LISTED BELOW)

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DATE OF INFO.

SUPPLEMENT TO  
REPORT NO.

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1. On 1 October 1946 the SAG Department for Mineral Fertilizer of the Nitrogen Plant in Piesteritz (H 52/E 37) was transferred to the SAG Center in Berlin-Weissensee. At that time the plant was in very bad condition. Large scale repairs and expansion work gradually made the plant more profitable. A net profit of approximately 15 million DM-East was anticipated in 1950.
2. The newly-established production installation for the manufacture of insulation material, called "Piatherm" in German and "Iporka" in Russian, had a large share in the financial recovery of the plant and the realization of a net profit. The total Piatherm output was shipped either to the U.S.S.R. or to Soviet Zone railroad car plants producing on reparations accounts. However, only minor orders have been placed for the first half-year of 1951. The production installation for insulation material therefore can be utilized only to 50 percent of a total capacity of about 9,000 cubic meters monthly.
3. The recently-built installation for the production of carborundum or silicon carbide with a monthly capacity of 260 tons was not a complete success. It was difficult to market these products as the quality of the carborundum did not satisfy the customers. A test furnace was set up to study the exact production process. All remaining installations were being utilized to the full extent of the available capacity. There is a great demand for calcium carbide, crude calcium cyanamide and lampblack. These products can easily be sold. \*\*
4. Several technicians and chemists fled to the West to escape the gradually increasing political pressure which the SED and the Soviets are exerting, especially upon the technical intelligentsia of the plant. Personnel who fled to the West in June and July 1950 include Dr. Dr. Koelenann, (fnu, chief chemist; engineer and manager of the silicon carbide installation. The present key personnel of the plant comprise Malin (fnu), Soviet plant manager who has replaced Petrov (fnu), Pukharyov, chief accountant and commissioner of the LVD; Dinnikov (fnu), chief engineer; Schirmer (fnu), German manager and SED member who has replaced Wagner (fnu); Steinbrueck (fnu), chief engineer, German technical manager and SED member; Petrack (fnu), cultural manager,

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SMD member who works for the MVD; Thormeyer (fnu), chief accountant and SMD member; Buhle (fnu), chief of the planning department and SMD member, and Frau Vorwerk (fnu), manager of the personnel department and SMD member.

5. Lists were obtained which give information on the cost-price of production and production figures. \*\*

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\* **Comment: Since incorporated in SAG Plastik.**

25X1A \*\* **Comment.** In 1945 and 1946 the Soviets completely dismantled all installations for the production of phosphoric acid, nitric acid, ammonium nitrate, calcium carbide and caustic soda in the former I.G. plant in Liesteritz. The gradual reconstruction aimed especially at regaining the former plant capacity for phosphoric acid, trisodium phosphate, calcium cyanamide and calcium carbide. Particular emphasis is placed on the expansion of plastics and lampblack production.

25X1A \* \*\* **Comment.** For lists giving information on cost-price of production and production figures, see Annexes 1 to 5. In Annex 1 there are several slight errors in the calculation of the cost price, both in total amounts of each item and in cost per kg. The total of the next to the last column should read 3,838 DM-East and the total of the last column should read 27.42 DM-East. In Annex 2 there is an error in calculation of the cost-price per kg of sulphuric acid which should be 0.29 DM-East rather than 3.31. This correction would then make the total of 10.39 correct. In Annex 4 the total of the first column should be 4,712 rather than 4,616. In Annex 5 the total of "Payments for work and services of outside plants" is given as 783,000 DM-East although the breakdown of this figure totals 619,000 DM-East. The reasons for these apparent errors cannot be determined.

5 Annexes: Lists.

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CopyFischerite Nitrogen Plant  
Department B 1

Calculation.

Cost Price of Aminoguanidine Bicarbonate

Total production (140 kg)

Specification of costs	Quantity	Consumption per kg	Price percentage	Costs	
				Amount	Cost per kg
A. Raw materials and semi-finished products					
Hydrazine sulphate kg	157	1.126	10.390	1,637.00	11.69
Ammonium bicarbonate	117	.340	.475	56.00	.40
Cyanamide	33	.241	1.600	51.00	.39
Ammonia N	35	.252	.632	22.00	.16
B. Technological energies					
Steam	ton	1	.003	6.60 per ton	6.60 .04
C. Wages for production workers					
Basic wages and bonuses, hrs 204			1.40 per hour	291.00	2.03
Social security taxes (legal taxes)				41.00	.29
D. Operational costs (see page 2)				800.00	5.29
E. Manufacturing costs of the total production				2,987.60	21.34
F. General plant costs of production (Werksgemeinkosten der Warenproduktion)				230	2.00
G. Manufacturing costs incl. "Werksgemeinkosten"				3,267.60	23.34
H. Transportation costs				2.40	.66
I. Packing material				11.0	1.00
K. Manufacturing costs incl. transportation and packing costs				3,500	25.00
L. Commercial costs				224	1.60
M. Turnover taxes				126	.90
N. Cost price incl. commercial costs and turnover taxes				3,850	27.50
O. Sales price					29.50

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Piesteritz Nitrogen Plant  
Department B 1Cost Price of Aminoguanidine Dicarboxate

Breakdown of the operational and commercial costs.

	<u>Total costs</u>	<u>DI-Last</u>
D. Operational costs		
1. Personnel costs		
a. Basic wages and bonuses	100	0.71
b. Social security taxes (legal taxes)		
2. Repair costs	50	0.36
3. Working stock	50	0.36
6. Laboratory costs	80	0.57
9. Rent	600	4.29
Total	880	6.29

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Cost Price of Hydrazine Sulphate

Total production 100 kg

<u>Specification of costs</u>	<u>Consumption</u>		<u>Price</u>		<u>Costs</u>	
	<u>Quantity</u>	<u>per kg</u>	<u>percentage</u>	<u>Amount</u>	<u>DM East</u>	<u>per kg</u>
<b>A. Raw materials and semi-finished products</b>						
Ammonia N	kg	346	2.16	.632	219	1.37
Chlorine, liquid	kg	319	2.10	.460	161	1.01
Caustic soda lye	kg	393	2.46	.260	102	0.64
Sulphuric acid	kg	469	2.93	.100	47	3.31
<b>B. Technological energies</b>						
Steam	tons	10	0.062	6.00 per ton	60	0.38
<b>C. Wages for production workers</b>						
Basic wages and bonuses	(hours)	638	3.99 hrs/kg	1.40 per hour	893	5.58
Social security taxes (legal taxes)			20 kg/day		125	0.78
Salaries					55	0.34
<b>D. Manufacturing cost of the total production</b>					1,662	10.39

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SAG Mineraldünger, Stickstoffwerk Piesteritz

Report Regarding the Production, Realization and Stocks  
for the First Half of 1950 in 1,000 DM-Last

Designation of the main pro- duction items	Planned prices of the items produced.	Realization since the beginning of 1950, according to sales prices	Stocks of unsold products as per 1 June 1950
	Amount	Sales value	Manufacturing value of the stocks
Calcium carbide (200 1)	3,933	4,589	49
Crude calcium cyanamide	11,856	13,622	371
Lampblack	7,306	8,360	42
"Piatherm" insula- tion material	3,787	5,707	90
Silicon carbide	1,176	1,482	582
Phosphoric acid for industrial use	272	215	5
Phosphoric acid, chemically pure I	113	137	110
Phosphoric acid, chemically pure II	417	546	46
Miscellaneous pro- ducts	8,652	10,557	1,357
Total	37,512	45,223	2,652

signed

M A L I N

General Manager

signed .

T H O R M E Y E R

Chief Accountant

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Administration of Soviet Property in Germany  
 Plesteritz Nitrogen Plant  
 SAG Mineraldünger

Supplement to the report  
 for the first and second  
 quarter 1950  
 in 1,000 DL-Mark

Report Regarding the Export of Products and Purchased Goods  
to the U.S.S.R. and Other Countries for the First and Second  
Quarter 1950

<u>Designation of the</u> <u>products and pur-</u> <u>chased items</u>	<u>Credited to Soviet account</u>		<u>Misc. exports</u> <u>to other countries</u> <u>according to</u> <u>sales prices</u>
	<u>Export to the U.S.S.R.</u>	<u>Export to other</u> <u>countries</u>	
	<u>Actual value for the</u> <u>first half of 1950</u> <u>according to sales</u> <u>prices</u>	<u>Actual values for</u> <u>the first half of</u> <u>1950 according to</u> <u>sales prices</u>	
"Plathern" insulating material	2,592	-	2
Lampblack	1,959	-	Poland, Czecho- slovakia 1,576
Phosphoric acid	161	103	10
Pyrophosphate		7	
Pyrophosphate acid		69	62
Potassium ferrocyanide		50	91
Ferro-phosphorous		43	
Calcium carbide			Iceland 1,753
Cyanide smeltings			67
	<hr/> 4,612	<hr/> 282	<hr/> 3,561

signed Malin

Chief of the Administration

General Manager

signed Thormeyer

Chief Accountant

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Fiestorits Nitrogen Plant

SAG Mineraldünger

Report Regarding the Production CostsIn the First Half-Year of 1950

		<u>in 1,000 DM-East</u>
Raw materials		10,790
Fuels		433
Energies		4,497
Wages		7,026
Social security taxes		925
Rent		5,450
Other payments (for specification see below)		<u>2,792</u>
Total		31,913
Stocks of unfinished products as per 1 January 1950	890)	
Stocks of unfinished products as per 30 June 1950	453)	
	Difference:	432
		<u>32,345</u>
Stocks of unfinished products as per 1 January 1950	5,399)	
Stocks of unfinished products as per 30 June 1950	2,652)	
	Difference:	2,747
Manufacturing costs of the realized production		35,092
Commercial expenditures		1,463
Turnover taxes included in the sales price		<u>957</u>
		<u>37,512</u>

Specification of "Other Payments" In 1,000 DM-East

Payments for work and services of outside plants		789
including repair of machinery	203	
repair of buildings and instal-		
lations	316	
Transportation	5	
Miscellaneous	295	
Taxes and fees		1,077

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Insurance of assets and goods	104
Telephone, post and cable expenses	65
Travel expenses	43
Writing material and office expenditures	17
Maintenance of the central laboratory	283
Newspapers, periodicals and other literature	8
Expenses for the plant hospital	15
Allocations to the <b>director's fund (Direktorfonds)</b> (special account for social and welfare expenses)	220
Allocation to the account for <b>efficiency improvement</b> and invention	74
Miscellaneous expenditures	31
Transportation of workers (line works in Bucheland, Harz Mts)	22
Premium payments for 1 May 1950	50
	<u>2,792</u>

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